

## Minutes

### Seattle City Employees' Retirement System Regular Board Meeting

Thursday, February 2, 2006 - 9:00 a.m.  
Pacific Building, 10<sup>th</sup> Floor

**Present:** Dwight Dively, Norma McKinney, Lou Walter, Mary Norris, Paul Berry and Frank Mathews.

**Absent:** Richard McIver.

Frank Mathews served as Chair in the absence of Richard McIver.

**Also Present:** Ken Leask – ARSCE, Ken Hunich – ARSCE, Walt North – ARSCE, Gwen Jensen - ARSCE, Jim Coover – ARSCE, Mike Monaco – Song Mondress, Norm Ruggles and Mel Robertson.

**Public Comment:** None.

### Minutes:

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board approved the minutes from the January 12, 2006 Retirement Board meeting.

### Ratification of Retired Payroll, Office Payroll, Other Billings and Withdrawals:

**Information:** The following items represent normal expenses and nothing extraordinary.

Service	\$ 5,923,588.91
Beneficiary	676,595.80
Disability	63,521.55
<b>Pension Payroll – February 2006</b>	<b>\$ 6,663,706.26</b>
<b>Office Payroll</b> - pay period ending January 10, 2006	<b>\$ 26,459.45</b>
<b>Vouchers Processed</b> - from January 5, 2006 through January 26, 2006	<b>\$ 195,528.61</b>
* \$ 144,777.00 Expert and Consultant Services	

### Immediate Withdrawal of Contributions:

<u>Member</u>	<u>Department</u>	<u>Position</u>
Arriola, Paavo J	Parks	Lifeguard Sr
Ceccherelli, Wendy Ann	Arts Commission	Executive Director
Charette, Lucretia	ESD	Admin Spec I
Chen, Tong	DPD	Information Tech Prof
Crowley, Shane A	Fleets	Career Track Intern
Gibson, Kisha S	Muni Court	Admin Spec II
Higginbotham, Gwyn	Seattle Center	Civil Eng Spec
Kees, Brian E	Seattle Center	Laborer
Kennedy, Vicki R	TES	Admin Services
Langdon, Darby Jean	Human Services	Program Manager
Lee, Deidra L	Police	Admin Spec II
McVay, Alodie M	City Light	Accountant

Moss,Kay L	Police	Admin Spec I
Oliver, Donald	Health	Environ Health Spec
Olson,Paul G	Seattle Center	Laborer
Smith,Brian M	Police	Police Dispatcher II
Spieldenner,Karen A	Police	Admin Spec I
Talbott,Steve C	SPU	Heavy Equipment Operator
Volquardsen, David L.	Light	Hydro Maint Worker

Upon motion by Dwight Dively, seconded by Norma McKinney, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

### **Ratification of Service Retirements:**

**Information:** The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Adleberg,Carol A	1/7/2006	22	216	Personnel	Plng & Dev Spec, Sr	58	B
Bishop,Alfonso D	1/11/2006	30	60	SEATRAN	Sr., Maint Laborer	56	B,F
Blair,Elizabeth J	1/3/2006	15	30	Library	Library	64	S
Chapman,Evelyn J	1/6/2006	29	179	Human Services	Plng & Dev Spec., Sr	70	S
Compton,James N	1/4/2006	6	62	City Council	Council Member	64	E
Gerber,Nancy E	1/3/2006	15	115	Vested	Vested	60	S
Hart III, Harry H	1/6/2006	25	157	Fleets	Carpenter	65	A
Jansen,Kent B	12/10/2005	28	261	City Light	Elct-Con	52	S
Kay,Claudia L	12/17/2005	28	228	Personnel	Personnel Analyst Sr	52	A
McKinney,Lula B	1/11/2006	30	8	Police	Parking Enforcement	59	C10,G-100
Miramontez,Eufemio Pete	1/5/2006	30	60	SEATRAN	Bridge Operator	62	A,G-50
Monson,Donald J	1/11/2006	31	119	Seattle Center	Warehouser Sr	51	S,F,G-50
Mose,Taumaoc	1/6/2006	14	154	SPU	Maintenance Worker	65	C20,G-100
Peters,Thomas E.	1/6/2006	30	289	Fleets	Auto Mechanic Sr	58	C20
Reynolds,Zola W	12/30/2005	13	323	Personnel	Workers Comp Analyst	61	A
Hunter,David	9/11/2005	8	339	Dual	Dual Member-Vested	55	Active Death
Smith,Mary	12/2/2005	10	9	SPU	Admin Spec II	57	S
Sparby,Dennis L	1/4/2006	30	202	City Light	Journeyworker in Charge	60	E
Taylor,Charles W	12/3/2005	13	33	Police	Equipment & Facility	58	D
Voget,Jane	1/2/2006	14	140	Vested	Vested	57	S,G-50
West,Helen T	1/11/2006	35	319	SPU	Manager 2	66	C5
Yang,Tsui-Lien	1/6/2006	20	276	SPU	Civil Engineering Spec	62	D

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board approved the service retirements listed above, pending final review.

Last month 41 members withdrew or retired, and 45 new members entered the System.

### **Ratification of Investment Transactions and Statement of Securities and Cash:**

Norm reviewed the funding ratio along with monthly and year-to-date performance numbers on the Investment Summary report for December 2005. Mel highlighted items in the Investment Summary report and commented on likely investment results in December.

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board approved the Investment Summary report.

## **Investment Committee Report:**

The Investment Committee is scheduled to meet at 10:00 a.m. on Thursday, February 23, 2006 in the Retirement Office. The Investment Committee and Advisory Committee are scheduled to meet at noon on Thursday, February 23, 2006 in the Retirement Office.

Norm told the Board that he is planning to schedule a presentation to the Board of the 2005 investment performance results by Wurts & Associates.

Mel reported on the Investment Committee meeting held January 26, 2006. The Committee heard presentations by Smith Whiley & Company and Nogales Investors, and is recommending the Board approve a \$10 million investment in each of the funds. Smith Whiley & Company – Pelham Fund III, L.P. provides mezzanine financing to small businesses and Nogales Investors Fund II, L.P. is raising capital for a fund that has both equity and debt characteristics. Mel provided a handout summarizing both investments.

Upon motion by Paul Berry, seconded by Lou Walter, the Retirement Board voted unanimously to accept the Investment Committee recommendation to invest \$10 million in the Smith Whiley & Company – Pelham Fund III and to invest \$10 million in the Nogales Investors Fund II.

## **Executive Director Report:**

Norm presented some information that was included in a study of Public Employee Retirement Systems, undertaken by the Wisconsin Legislative Council, showing that our System is relatively well funded and in line with the majority of the State Retirement Systems that participated in the study.

Norm explained that in the process of improving the payroll system to break out and report the non-taxable earnings on a retiree's monthly check, we found several instances where incorrect information had inadvertently been provided to the retiree about non-taxable earnings at the time of retirement. We are in the process of notifying each retiree that we identified, and we have made arrangements with an experienced tax attorney to advise these retirees on the best ways to correct the errors. The Board concurred with this approach.

## **Old Business:**

### **(1) Status of Benefit Enhancements**

The Board was informed that the estimated current funding level of the Retirement Fund is 89.44% as of December 31, 2005.

### **(2) Disability Committee Rules**

This item is continued to the March 2, 2006 meeting.

## **New Business:**

None.

## **Adjournment**

Upon motion by Dwight Dively, seconded by Mary Norris, the Retirement Board voted to adjourn the meeting at 9:59 a.m.

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Norma McKinney, Secretary